

## Message Text

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ORIGIN SS-15

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TOSEC 204

E.O. 11652: GDS

TAGS: OVIP (KISSINGER, HENRY A.)

SUBJECT: POST ARTICLE ON HUMPHREY AND AID FUNDING

FOR BORG/GOMPERT FROM ADAMS

1. WE ARE REPEATING FOR THE SECRETARY'S INFORMATION THE FOLLOWING ARTICLE BY DAN MORGAN WHICH WAS PUBLISHED TODAY BY THE WASHINGTON POST, PAGE ONE. EAGLEBURGER WILL BE CABLING SEPARATELY HIS OWN VIEWS ON THIS ARTICLE AND REPORTING DAMAGE CONTROL MEASURES HE HAS ALREADY TAKEN.

2. BEGIN TEXT: A \$3 MILLION SPECIAL FOREIGN AID SPENDING AUTHORIZATION THAT SEN. HUBERT H. HUMPHREY (D-MINN.) ORIGINATED ON BEHALF OF A FRIEND'S PROJECT IN AFRICA HAS BEEN CRITICIZED IN A GOVERNMENT INVESTIGATION AS "ARTIFICIAL" AND EXTRAVAGANT."

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3. THE REPORT BY THE OFFICE OF THE INSPECTOR GENERAL OF

FOREIGN ASSISTANCE AT THE STATE DEPARTMENT SAID THE "CONGRESSIONAL DIRECTIVES" HAD PLACED THE AGENCY FOR INTERNATIONAL DEVELOPMENT "IN AN EXTRAORDINARILY DIFFICULT POSITION." THE REPORT URGED THE SENATE FOREIGN RELATIONS COMMITTEE, OF WHICH HUMPHREY IS A MEMBER, TO RECONSIDER ITS ORDERS TO AID.

4. THE PROJECT IS THE OPPORTUNITIES INDUSTRIALIZATION

CENTERS, INTERNATIONAL--THE FOREIGN ARM OF A PHILADELPHIA-BASED JOB TRAINING PROJECT THAT OPENED DOZENS OF CENTERS IN GHETTOS ALL OVER THE UNITED STATES IN THE 1960S AS PART OF THE ANTI-POVERTY PROGRAM.

5. THE OVERSEAS PROJECTS WERE STARTED IN GHANA AND NIGERIA IN 1970 AND IN KENYA AND ETHIOPIA IN 1973, UNDER GRANTS FROM AID.

6. THE SELF-HELP JOB TRAINING SYSTEM WAS ORIGINATED BY THE REV. DR. LEON H. SULLIVAN OF PHILADELPHIA IN 1964. HUMPHREY DESCRIBED SULLIVAN THIS WEEK AS A "DEAR FRIEND."

7. HOWEVER, HE SAID THAT AT THE TIME HE WAS HELPING WRITE THE FISCAL 1975 FOREIGN AID BILL LAST FALL HE HAD NO ADVERSE INFORMATION FROM AID CONCERNING THE AFRICAN PROGRAMS OF OPPORTUNITIES INDUSTRIALIZATION.

8. HUMPHREY'S DIRECTION TO AID ON SPENDING \$3 MILLION FOR OICI'S PROGRAMS ABROAD IS CONTAINED IN A SECTION OF THE NOV. 29, 1974, REPORT OF THE FOREIGN RELATIONS COMMITTEE ON THE FISCAL 1975 ASSISTANCE BILL. CONGRESS LATER APPROVED THE SECTION, ALTHOUGH MONEY HAS NOT YET BEEN APPROPRIATED.

9. AID SOURCES SAID THIS WEEK THAT HUMPHREY WAS ADAMANT IN INSISTING THAT MORE MONEY GO INTO THE PROGRAM WHEN HE MET WITH AGENCY OFFICIALS LAST YEAR.

10. HOWEVER, A SENIOR OFFICIAL AT THE STATE DEPARTMENT SAID YESTERDAY THAT "THERE'S NO QUESTION IN MY MIND THAT LIMITED OFFICIAL USE

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IF AID HAD STOOD UP AND CLEARLY EXPRESSED THEIR REASONS FOR WANTING TO CUT THE PROGRAM, SEN. HUMPHREY COULD HAVE BEEN PERSUADED."

11. HUMPHREY SAID THAT HE HAD ORIGINALLY WANTED A \$4.5 MILLION AUTHORIZATION BECAUSE HE WAS DISAPPOINTED WITH WHAT HE SAW AS THE U.S. GOVERNMENT'S NEGLECT OF INNOVATIVE PROGRAMS IN AFRICA.

12. "IF THE FEDERAL GOVERNMENT CAN'T FIND WORK TO DO IN AFRICA, WE OUGHT TO CLOSE UP SHOP," HE SAID.

13. THE REPORT, DATED JAN. 8, WAS PREPARED IN THE OFFICE OF INSPECTOR GENERAL OF FOREIGN ASSISTANCE WEBSTER B. TODD JR.

14. IT CRITICIZED A NUMBER OF ASPECTS OF THE OICI OVERSEAS OPERATION. AMONG THE REASONS FOR AID OPPOSITION, IT SAID

THE PROGRAMS IN KENYA AND ETHIOPIA HAD GENERATED LITTLE LOCAL FINANCIAL SUPPORT, AND IN ETHIOPIA HAD RECEIVED LITTLE BACKING FROM THE CITIZENS' GOVERNING BOARD.

15. IT ALSO FOUND A "DISPROPORTIONATE" LEVEL OF STAFFING IN THE PHILADELPHIA OFFICE, WITH 17 AID-FINANCED STAFFERS THERE SUPPORTING 26 AMERICANS AND 59 FOREIGN NATIONALS IN AFRICA.

16. THE REPORT FOUND THAT CONGRESS HAD "DIRECTED" \$3 MILLION FOR OICI FOR THE REST OF THE FISCAL YEAR, AND ADDED THAT IT WOULD REQUIRE ONLY \$1.6 MILLION TO FUND EXISTING PROGRAMS, INCLUDING MAJOR INCREASES IN KENYA AND ETHIOPIA, AND FIVE NEW PROPOSALS.

17. "THE INSPECTOR GENERAL BELIEVES THAT KENYA AND ETHIOPIA SHOULD BE PHASED OUT, NOT INCREASED," THE REPORT STATED.

18. "THUS, EVEN A \$1.6 MILLION LEVEL FOR FISCAL 1975 WOULD BE EXTRAVAGANT IN OUR OPINION."

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19. THE REPORT CONCLUDED THAT "IN PROGRAMMING EXPENDITURES AT AN ARTIFICIAL \$3 MILLION LEVEL, AID MAY MAKE COMMITMENTS WHICH ARE NOT JUSTIFIED ON THE MERITS, OR, IF AID DOES COMMIT \$3 MILLION, IT WILL BE SEEN TO ACCEDE TO CONGRESSIONAL INTENT."

20. A CABLE FROM THE ETHIOPIA AID MISSION SAID: "OICI CONCEPT NOT VIABLE NOR IS IT LIKELY TO BE IN FORESEEABLE FUTURE."

21. ACCORDING TO AN INTERNAL GOVERNMENT MEMORANDUM CONCERNING THE KENYA PROJECT: "THE FACT THAT (THE PROGRAM) EXISTS IS NEITHER A REFLECTION OF AN INDIGENOUS DEMAND OR OF THE MISSION'S RESPONDING TO A CRUCIAL DEVELOPMENT NEED

OR PROBLEM."

22. "THE PROJECT...IS GRASPING FOR STRAWS WITH LITTLE IN THE WAY OF CONCRETE SUCCESS," IT STATES. IT ALSO ASSERTS THAT "NUMEROUS" JOB TRAINING SCHOOLS FOR SECRETARIES AND OTHERS EXIST IN KENYA, AND "OICI HAS YET TO DEMONSTRATE ITS SUPERIORITY TO EXISTING FORMAL AND NON-FORMAL PROGRAMS IN KENYA."

23. THE KENYA PROGRAM WAS FOR "IN-SERVICE TRAINING FOR SMALL-SCALE ENTREPRENEURS," AND IN ETHIOPIA FOR BANKING, BUILDING TRADES AND INDUSTRIAL SERVICES.

24. REACHED BY TELEPHONE YESTERDAY, SULLIVAN SAID THE INVESTIGATORS "DON'T SEE THE FULL PICTURE" AND FAILED TO GIVE ADEQUATE CREDIT TO RECENT OICI SUCCESSES IN NIGERIA AND GHANA.

25. HE SAID THAT DIFFICULTIES HAD ARISEN IN KENYA AND ETHIOPIA BUT ATTRIBUTED THIS PARTLY TO INADEQUATE FUNDING FROM AID, WHICH HAMPERED THE PROGRAMS. HE SAID INADEQUATE COOPERATION OF EMPLOYEES IN THE AID MISSIONS HAD ALSO HURT.

26. "THEY WERE SKEPTICAL OF THE PROGRAM," HE SAID.

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27. HE SAID THAT OICI WAS INTRODUCING A "WHOLE, NEW VOCATIONAL CONCEPT" INTO AFRICA.

28. SULLIVAN SAID THAT HE HAD NUMEROUS APPLICATIONS FOR NEW PROGRAMS FROM GOVERNMENTS IN HAITI, JAMAICA, BOTSWANA, LESOTHO, ZAMBIA AND TOGO, AND WOULD HAVE NO TROUBLE SPENDING THE \$3 MILLION AUTHORIZED.

29. THE ORIGINAL ESTIMATED COST OF THE FOUR PROJECTS IN 1969 WAS ABOUT \$6.2 MILLION, WITH HOST GOVERNMENTS TO PICK UP FINANCING AFTER THREE YEARS. BUT THE FUNDING HAS BEEN SLOW TO MATERIALIZE.

30. HUMPHREY SAID HE HAD TOLD TODD THAT "NOBODY WAS TRYING TO FORCE AID TO DO SOMETHING THEY SHOULDN'T DO."

31. A HUMPHREY AIDE SAID THAT PART OF THE DIFFICULTY MAY HAVE RESTED WITH AID'S WITHHOLDING OF MORE ADEQUATE SUPPORT FROM A U.S. ORGANIZATION WITH LITTLE FOREIGN EXPERIENCE.

32. "NOBODY WANTS TO FUND AN EXTRAVAGANT ORGANIZATION,"

HE SAID. "BUT WE WANT JOB TRAINING IN AFRICA. IT SHOULD BE PART OF DEVELOPMENT ASSISTANCE."

33. SULLIVAN'S PROGRAMS IN OVER 100 CITIES AND IN 47 STATES HAVE WON HIM CONSIDERABLE SUPPORT ON CAPITOL HILL, IN BOTH PARTIES.

34. "WHEREVER OIC ARISES, YOU WILL HAVE 50 OR 60 SENATORS GO TO THE FORE--AND HALF OF THE HOUSE," HE SAID. END TEXT. INGERSOLL

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